

Utah State Tax Commission
Recycling Market Development Zone Tax Credit

TC-40R
 Get forms online - tax.utah.gov Rev. 12/04

A taxpayer may not claim this credit or carry it forward into a year the taxpayer has claimed the targeted business income tax credit or the enterprise zone tax credit.

The Department of Community and Economic Development must sign or certify if you are seeking credit for machinery or equipment. See the reverse side of this form for detailed instructions.

Do not send this form with your return. Keep this form and all related documents with your records. You must complete a new form each year you claim a carryforward credit.

PART A

Name of taxpayer claiming credit	Taxpayer's identification number (SSN or EIN)	
Address of taxpayer claiming credit	Telephone number ()	
City	State	ZIP Code

Certification by the Department of Community and Economic Development: I certify that the machinery and equipment purchased below are integral to the composting or recycling process of the taxpayer named in PART A of this form and the named company is located within the boundaries of a recycling zone.

Authorized signature by DCED	Title	Date signed
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PART B

List machinery and equipment purchased	Date purchased	Purchase price
		\$
		\$
		\$
		\$
Total Purchases - Add all purchases in PART B		
Total Credit Allowed - Multiply total purchases by .05 (5%)		

PART C

List rent, wages paid, supplies, tools, test inventory, and utilities purchased	Date paid	Amounts paid during tax year	List rent, wages paid, supplies, tools, test inventory, and utilities purchased	Date paid	Amounts paid during tax year
		\$			\$
		\$			\$
		\$			\$
		\$			\$
Total Paid - Add all amounts paid in PART C					
Total Credit Allowed - The calculation and limitation instructions for PART C are on the back					

PART D

1. Add total credits allowed from PART B and PART C. Enter sum on this line.	1	\$
2. Multiply your 2004 Utah tax by .40 (40%). Non or part-year residents must use the apportioned tax amount.	2	\$
3. Enter the smaller of the amounts on line 1 or line 2. This is your tax credit.	3	\$

IMPORTANT - PLEASE READ

Refer to the instructions for your **INCOME TAX (TC-40)**, **CORPORATE TAX (TC-20 or TC-20S)**, or **FIDUCIARY TAX (TC-41)** return to determine the amount of Utah tax and the line number on which you will record this credit. **The credit code is "10" for all returns.**

PART E

Any unused amount of the total credit allowed under PART D, line 3, that is attributable to purchases of qualified machinery and equipment under PART B, may be carried forward three years.

Carryforward Amounts

1. Amount of tax credit carried forward - first year	1	\$	Applied to tax year:
2. Amount of tax credit carried forward - second year	2	\$	
3. Amount of tax credit carried forward - third year	3	\$	

A taxpayer may not claim this credit or carry forward into a year that the taxpayer has claimed the targeted business income tax credit or the enterprise zone credit.

The Utah Legislature authorized a nonrefundable tax credit to individual income tax, corporate franchise tax or fiduciary tax in a recycling market development zone, as defined in Utah Code Section 9-2-1602. The credit consists of: (a) 5 percent of the purchase price paid during the taxable year for machinery and equipment used directly in commercial composting, or manufacturing facilities or plant units that manufacture recycled items or reduce or reuse postconsumer waste material; and (b) 20 percent of net expenditures, up to a maximum credit of \$2,000 to third parties for rent, wages, supplies, tools, test inventory, and utilities made by the taxpayer for establishing and operating recycling or composting technology in Utah.

PART A

Enter name and address information of taxpayer. PART A is where the Department of Community and Economic Development will sign, authorizing this credit.

PART B

List any machinery or equipment purchased that is used directly in commercial composting or in manufacturing facilities or plant units that manufacture, process, compound or produce recycled items for sale or reduce or reuse post consumer waste material. Enter the purchase price for the machinery or equipment in the appropriate column. Add all purchases and multiply the total purchases by .05. This represents the total amount that can be used as a credit for machinery and equipment.

PART C

List expenditures for rent, wages, supplies, tools, test inventory, and utilities and the amount of the expenditure in the appropriate column. Total all expenditures listed in PART C and multiply the total by .20 (20%). If the amount is greater than \$2,000, only enter \$2,000. This credit cannot be taken in a taxable year in which the enterprise zone credit is claimed or carried forward or the targeted business income tax is claimed; enter zero if either credit is claimed or carried forward.

PART D

Add together the "**Total credit allowed**" from PARTS B and C. Multiply the amount of your Utah income tax by .40 (40%). Non or part-year residents must use the apportioned Utah tax. Your Recycling Market Development Zone Tax Credit is the smaller of line 1 or line 2.

PART E

Taxpayers may carry forward for three years any of the unused total credit allowed in PART D, line 3, that is attributable to purchases of qualified machinery and equipment under PART B. Indicate the amounts you are carrying forward, along with the appropriate years, on lines 1 through 3 of PART E.

Carryforward recycling market development zone credits shall be applied against Utah individual income tax, corporate franchise tax or fiduciary tax due before the application of any recycling market development zone tax credits earned in the current year and on a first-earned, first-used basis.

Do not send this form with your return. Keep this form and all related documents with your records. You must complete a new form each year you claim a carryforward credit.

To approve this credit, contact Lester Prall at the Department of Community and Economic Development, 324 South State Street, Fifth Floor, Salt Lake City, Utah 84111, telephone number (801) 538-8804 (email lprall@utah.gov or dced.utah.gov/incentives/recycling.html).

If you need additional information, please contact the Utah State Tax Commission at (801) 297-2200 or toll free 1-800-662-4335, if outside the Salt Lake area. The address is 210 N 1950 W, Salt Lake City, Utah 84134.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or TTD (801) 297-2020. Please allow three working days for a response.